



USAID
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CROATIA

ACTIVITY OVERVIEW

Small and Medium Enterprises

By assisting 4,000 enterprises in Croatia, USAID will help create 20,000 new jobs



DAI/Nathan Group

D&D Metal, a small Croatian company in Osijek joins the supply chain of the large multinational conglomerate ThyssenKrupp as a result of ESP project's referral system.

Implementer: The DAI/Nathan Group

Partners: Croatian Agency for Small SMEs (HAMAG), Small Business Development Agency (HBOR), Association of Management Consultants, Medimurje Regional Development Agency (REDEA), the Istrian Development Agency (IDA), PBZ, VABA Bank, Poteza Partners, Adriatic Zagreb, Ascendant, Croatian Exporters Association, Association of Family and Small Hotels, Croatian Employers Association, Nova Gradiska Regional Development Office, LEDA (Local Economic Development Agency), Bjelovar Business Park, Virovitica-Podravina County Entrepreneur Center, Sibenik-Knin County Entrepreneur Center, Zadar County Entrepreneur Center, Regional Institution for Enhancement of SMEs PRIMA Knin City Entrepreneur Center, City of Dubrovnik and Dubrovnik-Neretva County Entrepreneur Center, Development Agency North, the National Competitiveness Council

U.S. Agency for International Development
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Croatia's potential for economic growth is hampered by inadequate investment in production, low levels of productivity, and an inefficient legal and regulatory environment. However, pockets of strong entrepreneurial activity are demonstrating Croatia's capacity to seize and convert market opportunities into business success. USAID's Enhancing Small and Medium Enterprises Project (ESP) - also referred to as Poduzetna Hrvatska or Entrepreneurial Croatia - will assist 4,000 enterprises by working through partner organizations. As a result, the program aims to generate 20,000 new jobs. One third of these new jobs will be created in rural or disadvantaged areas of Croatia. ESP operates through a network of public and private organizations at the national, regional and local levels.

The project helps increase revenues, exports, and investment levels by: 1) improving financial and non-financial services from public and private sector organizations to support enterprise growth and development; 2) upgrading supply chains and productivity in growth industries, including tourism, manufacturing, specialty foods, information and communication technology, and financial services; and 3) improving the business environment to reduce the cost of doing business.

ESP assistance concentrates on business strategy formulation, brokering market information, methods and technologies that enhance export readiness, product development, bank and non-bank financing, public-private partnerships, policy advocacy, and the adoption of appropriate business policies, business models, practices and technologies. It does not provide direct financial support to organizations and enterprises.

ESP's offices are located in Zagreb, Osijek, Split and Pula.

Results The project has assisted over 1,300 enterprises, generating \$4.5 million in export sales and over \$24 million in total sales; \$54 million in Foreign Direct Investment has been facilitated.

Over 1,000 enterprises have become first-time bank borrowers, generating additional business revenue and expanding market opportunities.

Over 1,700 entrepreneurs have been trained in business and management skills to improve enterprise productivity.